

Message Text

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ACTION EB-11

INFO OCT-01 EA-11 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-02 COME-00 DODE-00 FEA-02 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SPC-03 SS-20 STR-08 TRSE-00 OPIC-12 NEA-10

XMB-07 CG-00 DRC-01 /169 W
----- 003404

R 060900Z MAR 74

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 1128

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E.O. 11652: NA

TAGS: ENRG, ETRD, TW

SUBJECT: ENERGY: TRADE AND INVESTMENT OPPORTUNITIES
ARISING FROM ENERGY SITUATION

REF: STATE 040537

1. MAJOR TRADE OPPORTUNITIES IN THE ROC ARISING FROM
THE ENERGY SITUATION WOULD APPEAR TO BE IN AREA OF
POWER GENERATION. AS RESULT OF ENERGY CRISIS, GRC-OWNED
TAIPEOWER HAS SHELVED MUCH OF ITS CONVENTIONAL OIL-FIRMED
THERMAL POWER EXPANSION PLANS AND IS CONCENTRATING ON
NUCLEAR POWER PROJECTS.

2. TO DATE EXIM BANK HAS MADE COMMITMENTS FOR NUCLEAR
1-4, TOTALING \$744 MILLION, AND A PRELIMINARY COMMITMENT
OF \$498 MILLION FOR NUCLEAR 5 AND 6. NUCLEAR 1 AND
2 ARE NOW UNDER CONSTRUCTION. TAIPOWER MAY REQUEST
FINANCING OF AROUND \$600 MILLION FOR NUCLEAR 7 AND 8.

APPLICATION MAY BE SUBMITTED WITHIN A YEAR. THIS
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OPPORTUNITY FOR THE SALE OF U.S. GOODS AND SERVICES

WILL BE CONTINGENT ON THE ABILITY AND WILLINGNESS OF EXIM BANK TO PROVIDE A LOAN AND GUARANTEE. EMBASSY SHOULD HAVE A READING ON EXIM'S ATTITUDE TOWARD FURTHER FINANCING AFTER ARRIVAL EXIM STUDY TEAM WEEK OF MARCH 11.

3. TAIPOWER IS CONVERTING SOME OF ITS THERMAL UNITS FROM OIL TO COAL WHICH COULD OFFER AN OPPORTUNITY FOR THE SALE OF COAL BY U.S. SUPPLIERS.

4. SHOULD OFFSHORE OIL EXPLORATION AND DRILLING RESULT IN COMMERCIAL DISCOVERIES, THERE WOULD BE OPPORTUNITIES FOR THE SALE OF U.S. GOODS AND EQUIPMENT IN THE DEVELOPMENT OF COMMERCIAL FINDS. TO DATE, ONLY 4 EXPLORATORY WELLS HAVE BEEN DRILLED OFFSHORE OF TAIWAN AND FINDINGS TO DATE HAVE BEEN NEGATIVE. HOWEVER, GEOLOGICAL STRUCTURES ARE CONSIDERED PROMISING.

5. AT PRESENT EMBASSY FORESEES NO INVESTMENT OPPORTUNITIES THAT COULD ARISE FROM ENERGY CRISIS. MCCONAUGHY

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Message Attributes

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